

Senate File 597 - Introduced

SENATE FILE _____
BY ZIEMAN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act creating a student loan interest buy=down program
2 administered by the college student aid commission.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1841XS 82
5 kh/gg/14

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1 1 Section 1. NEW SECTION. 261.131 INTEREST BUY=DOWN
1 2 PROGRAM FOR RESIDENTS.
1 3 1. If sufficient funds are appropriated by the general
1 4 assembly, a student loan interest buy=down program is created
1 5 to be administered by the college student aid commission. The
1 6 purpose of the program shall be to annually reduce by fifty
1 7 percent the interest rate on Iowa guaranteed student loans or
1 8 student loans guaranteed by the federal government issued to
1 9 individuals who are residents of Iowa and who have met the
1 10 educational requirements for a baccalaureate or graduate
1 11 degree. No sooner than three months after the individual has
1 12 graduated from an accredited postsecondary institution, the
1 13 individual may submit an application to the commission on a
1 14 form approved by the commission. The individual shall remain
1 15 eligible for the program each year in which the individual
1 16 resides in this state.
1 17 2. An interest buy=down revolving fund is created in the
1 18 state treasury as a separate fund under the control of the
1 19 college student aid commission. All moneys deposited or paid
1 20 into the fund are appropriated and made available to the
1 21 commission to be used for loans as provided in this section.
1 22 Notwithstanding section 8.33, any balance in the fund on June
1 23 30 of each fiscal year shall not revert to the general fund of
1 24 the state, but shall be available for the purposes of this
1 25 section in subsequent fiscal years.
1 26 3. The commission shall adopt rules pursuant to chapter
1 27 17A to administer this section.

EXPLANATION

1 28 This bill creates, if sufficient funds are appropriated by
1 29 the general assembly, a student loan interest buy=down program
1 30 to be administered by the college student aid commission.
1 31 Residents of Iowa who graduate with an undergraduate or
1 32 graduate degree may have the interest on their state or
1 33 federal guaranteed student loans reduced by 50 percent each
1 34 year in which they reside in the state.
2 1 The bill also creates an interest buy=down revolving fund
2 2 in the state treasury under the control of the commission.
2 3 Any moneys appropriated for the program and deposited in the
2 4 fund will not revert but will be available for purposes of the
2 5 program in subsequent fiscal years.
2 6 LSB 1841XS 82
2 7 kh:nh/gg/14